

# Northern Superior and Genesis Metals Announce Signing of Definitive Agreement Creating the Largest Scale Company in the Chapais-Chibougamau Camp

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Vancouver, April 27, 2022 - [Northern Superior Resources Inc.](#) ("Northern Superior" or the "Company") and Genesis Metals Corp. (TSXV: GIS) ("Genesis") are pleased to announce that they have entered into a definitive arrangement agreement dated April 27, 2022 (the "Definitive Agreement"), pursuant to which Northern Superior has agreed to acquire all of the issued and outstanding common shares (the "Genesis Shares") of Genesis (the "Transaction") by way of a statutory plan of arrangement under the Business Corporations Act (British Columbia).

The pending Transaction will establish Northern Superior as a premier gold exploration company with six early-to-advanced staged gold exploration projects across major gold camps in Québec and Ontario and create significant synergies and scale in the Chapais-Chibougamau Camp. The combined company will benefit from the following:

- NI 43-101 compliant mineral resources: a) 643,000 oz gold in the inferred category at Croteau Est\* (Northern Superior); and b) 652,000 oz gold in the inferred category and 260,000 oz gold in the indicated category at Chevrier\*\* (Genesis);
- material synergies from consolidating exploration activities at its Croteau Est and Chevrier gold projects, which are located only 25 km apart and are both near key infrastructure including highways, low-cost grid power, skilled labour, rail line and a regional airport;
- exposure to the large and expanding Falcon gold discovery at the Lac Surprise property, which has been defined over 900m of strike length and 340m of vertical continuity with all 28 holes drilled to date intersecting gold mineralization, and is located just 27 km south of the Chevrier gold project;
- having the largest property holdings, gold resources and market capitalization of all gold exploration companies that are active in the Chapais-Chibougamau Camp, a mining-friendly region that has produced over 6.7 million ounces of gold and is host to several major deposits including IAMGOLD Corporation and Vanstar Mining Resource's Nelligan deposit (hosts an NI 43-101 compliant inferred mineral resource estimate of 3.1 million ounces of gold at 1.02 g/t gold\*\*\*); and
- a strong balance sheet with approximately \$12MM cash at year end 2021, improved trading liquidity and larger capital markets profile that will be better positioned to attract a broader base of institutional and retail investors.

Thomas Morris, President, CEO and Director of Northern Superior, stated, "Northern Superior is pleased to enter into this arrangement with Genesis. The acquisition of Genesis will create the dominant exploration company in the Chapais-Chibougamau Camp with the largest land position of over 56,000Ha, with NI 43-101 compliant gold inferred (Croteau Est and Chevrier) and indicated (Chevrier) mineral resources and three distinct discoveries and properties (Lac Surprise-Falcon Zone, Croteau Est and Chevrier), each within 50km of each other that all have significant exploration upside and will be aggressively drilled and explored over the next 12 months.

"The Chapais-Chibougamau Camp is one of the more active and prospective mining and exploration areas in Québec, as highlighted by the Nelligan deposit controlled by the IAMGOLD/Vanstar joint venture, directly adjacent to our Lac Surprise property that hosts the recently discovered Falcon Gold Zone. The Falcon Gold Zone is thought to be the extension of the Nelligan gold deposit. As the new largest landholder and one of most dominant companies in a rapidly evolving and expanding mining camp, we feel we are ideally positioned to maximize the value of these assets for our combined shareholder base going forward.

"Northern Superior is in a strong financial position with approximately \$12MM in cash at the end of 2021. It plans to aggressively advance exploration on this exciting and newly expanded portfolio in Ontario and Québec for the benefit of the combined shareholders with a 2022 budget of close to \$10MM. The Company has a highly experienced technical team that has demonstrated its acumen through multiple successes in making grassroot discoveries across Québec and Ontario."

David Terry, President, CEO and Director of Genesis, stated, "The strong synergies between Genesis and

Northern Superior on the project level, together with the benefits of a larger combined company with an enhanced gold resource base, high caliber exploration and management team, strong financial position, and greater liquidity should make this a success for Genesis shareholders and other stakeholders including local and First Nations communities in the areas of Genesis' projects. Management and the Board of Directors of Genesis look forward to working with Northern Superior to complete the Transaction."

Under the terms of the Definitive Agreement, each holder of Genesis Shares (a "Genesis Shareholder" and, collectively, the "Genesis Shareholders") will receive 0.2304 of a common share of Northern Superior (each whole common share, a "Northern Superior Share") for each Genesis Share held (the "Consideration"). The value of the Consideration was calculated on April 26, 2022, the last day of trading prior to announcement of the Transaction, as C\$0.161 per Genesis Share or approximately C\$10.2 million for all of the outstanding Genesis Shares. The Consideration represents an approximate 46.6% premium over the closing price of the Genesis Shares on the TSX Venture Exchange (the "TSXV") on April 26, 2022, and an approximate 43.0% premium over Genesis' volume weighted average share price ("VWAP") over the 20 trading days prior to the announcement of the Transaction. Following the completion of the Transaction, current Genesis Shareholders will hold approximately 14,500,053 shares of Northern Superior, or approximately 17.0% of the pro forma Northern Superior basic shares outstanding.

As part of the Transaction, all outstanding options of Genesis will be exchanged for economically equivalent options to purchase Northern Superior Shares (subject to an adjustment based on the Consideration) and holders of Genesis warrants will be entitled, in accordance with the terms of such warrants, to receive Northern Superior Shares on the exercise of such warrants (subject to adjustment based on the Consideration).

### **Benefits to Northern Superior Shareholders**

- Adds a second resource-stage project with a large current resource base (260,000 oz gold in the indicated category and 652,000 oz gold in the inferred category) and grows Northern Superior's NI 43-101 compliant gold resource base by 142%;
- 105% accretive to gold resources and 74% accretive to landholdings in the Chapais-Chibougamau Camp;
- Excellent potential for material resource growth from known deposits/zones at Chevrier with regional discovery potential;
- Significant cost and efficiency savings with Chevrier lying only 25 km away from Northern Superior's Croteau Est property; and
- Upside from the 264 km<sup>2</sup> October Property, which is on trend and 35 km west of IAMGOLD Corporation and Sumitomo Metal Mining's Cote Lake development stage gold project and 50 km southeast of Newmont's Borden gold mine.

### **Benefits to Genesis Shareholders**

- Immediate and substantial offer premium (43.0% to 20-day VWAP);
- Exposure to the growing FGZ at the Lac Surprise Project;
- Transaction that is the result of a comprehensive strategic review process;
- Exposure to the Croteau Est Project, which hosts a sizable inferred resource (643,000 oz gold at 1.72 g/t gold) with considerable growth potential;
- Exposure to the district-scale TPK gold property in Northern Ontario;
- Northern Superior is well financed with approximately C\$12 million in cash (as of December 31, 2021);
- Northern Superior has demonstrated strong ability to access exploration capital;
- Experience and expertise of Northern Superior's technical and leadership team; and
- Ownership in a much larger gold exploration company with substantially greater liquidity.

### **Additional Details on the Transaction**

Completion of the Transaction will, among other things, require the approval of: (i) at least two-thirds (66<sup>2/3</sup>%) of the votes cast by the Genesis Shareholders; (ii) at least two-thirds (66<sup>2/3</sup>%) of the votes cast by the Genesis Shareholders and the Genesis option holders voting as a single class, with both votes being recorded at Genesis' upcoming special meeting scheduled to take place in early June 2022; and (iii) a simple majority of the votes cast by Genesis Shareholders, excluding for this purpose the votes of "related parties" and "interested parties" and other votes required to be excluded under Multilateral Instrument 61-8208;101 Protection of Minority Security Holders in Special Transactions, with all votes to occur at a special meeting of

Genesis security holders to be scheduled to take place in early June 2022 (the "Genesis Meeting"). No shareholder vote is required by Northern Superior shareholders. The board of directors of Northern Superior have unanimously approved the Transaction.

The Definitive Agreement includes covenants typical for transactions of this nature, including non-solicitation covenants.

The Transaction is expected to close in July 2022, subject to the satisfaction (or waiver) of a number of conditions precedent, including, but not limited to receipt of all regulatory approvals, including the approval of the Supreme Court of British Columbia and the acceptance of the TSXV.

The Transaction has the full endorsement of both the Boards of Genesis and Northern Superior. In late December 2021, Genesis retained Red Cloud Securities Inc. to initiate a strategic process to explore, review and evaluate a broad range of potential alternatives focused on maximizing shareholder value, including a potential sale or merger of Genesis. The board of directors of Genesis (the "Genesis Board") has formed a special committee (the "Special Committee") to oversee the process and have evaluated the Transaction with Northern Superior in the context of that process. The Special Committee, following a review of the terms and conditions of the agreement with Northern Superior and consideration of a number of factors, unanimously recommended that the Genesis Board approve the Transaction. After receiving the recommendation of the Special Committee and advice from its advisors, including a fairness opinion from Evans & Evans, Inc., the Genesis Board has unanimously determined that the Transaction is in the best interests of Genesis and will recommend that Genesis shareholders vote in favour of the Transaction.

Directors and officers of Genesis holding an aggregate number of Genesis Shares which represent approximately 5.6% of the currently outstanding Genesis Shares, have entered into customary support agreements with Northern Superior to vote their shares in favour of the Transaction.

Full details of the Transaction will be included in the management information circular of Genesis describing the matters to be considered at the Genesis Meeting, which is expected to be mailed to the Genesis Shareholders in early June 2022. Copies of the management information circular and the Definitive Agreement will be made available on SEDAR ([www.sedar.com](http://www.sedar.com)) under the profile of Genesis.

## Advisors

Red Cloud Securities Inc. acted as the financial advisor to Genesis and Evans & Evans, Inc. has provided a fairness opinion to Genesis in connection with the Transaction. Cozen O'Connor LLP is acting as legal counsel to Genesis and Cassels Brock & Blackwell LLP is acting as legal counsel to Northern Superior in connection with the Transaction.

\* Reference for Northern Superior's 640,000 ounce Inferred Gold Resource: "Drabble, Mark (B. App. Sci. (Geology), MAIG, MAusIMM); Glacken, Ian (BSc Hons (Geology), FAusIMM (CP), MIMMM, CEng; Kahan, Cervo (B. App. Sci., MAIG, MAusIMM); Morgan, Rebecca (BSc Hons (Geology), GDip (Mining), MAIG, MAusIMM). October 12, 2015. Technical Report on the Croteau Est Gold Project, Québec September 2015, Mineral Resource Estimate."

\*\* Reference for Genesis Metals Mineral Resources Estimation: "Lomas, Susan (P.Geo); Lavoie, Jonathan (Eng., M.Sc.); Liboiron, André (Géo). March 10, 2022. NI 43-101 Technical Report Mineral Resource Estimation for the Chevrier Main Deposit, Chevrier Project, Chibougamau, Québec, Canada."

\*\*\* Reference for IAMGOLD/Vanstar's Nelligan 3.2MM Inferred Gold Resource: "Carrier, Alain (M.Sc., P.Geo); Nadeau-Benoit, Vincent (P.Geo); Fauvre, Stéphane (PhD., P.Geo). October 22, 2019. NI 43-101 Technical Report and Initial Resource Estimate for the Nelligan Project, Québec, Canada."

## Qualified Person

Tom Morris (PhD., PGeo., FGAC, ICD.D) is a Qualified Person within the meaning of NI 43-101. Dr. Morris has reviewed and approved the information disclosed in this press release relating to Northern Superior. The Qualified Person within the meaning of NI 43-101 who has reviewed and approved the information disclosed in this press release relating to Genesis is André Liboiron, P. Geo., Project Manager for Genesis.

## About Genesis

Genesis is a member of the Discovery Group of Companies, an alliance of public companies focused on the

advancement of mineral exploration and mining projects with a proven track record of generating shareholder value through responsible, sustainable, and innovative development. Discovery Group companies have generated over \$500 million in direct and indirect expenditures resulting in over three billion dollars in M&A activity, with notable recent successes being the sale of [Northern Empire Resources Corp.](#) to Coeur Mining Inc., the sale of Kaminak Gold Corp. to Goldcorp Inc. and the recent sale of [Great Bear Resources Ltd.](#) to [Kinross Gold Corp.](#).

Genesis is a gold exploration company focused on advancing its Chevrier and October Gold project in the prolific Abitibi region of Ontario and Québec, Canada. Chevrier is a 100% owned, +290 km<sup>2</sup> property located near Chibougamau, Québec. On January 24, 2022, Genesis announced a new NI 43-101 compliant mineral resource estimate for the Main Zone at its Chevrier gold project\*\*. Highlights include:

Main Zone Pit-Constrained Resource at a 0.30 g/t gold cut-off

- Indicated Resource of 260,000 gold ounces (6.4 Mt at an average grade of 1.26 g/t gold)
- Inferred Resource of 420,000 gold ounces (11.2 Mt at an average grade of 1.18 g/t gold)

Main Zone Underground Resource at a 1.0 g/t gold cut-off

- Inferred Resource of 232,000 gold ounces (4.46 Mt at an average grade of 1.62 g/t gold)

Genesis also owns 100% of the October Gold Project, which is a 264 km<sup>2</sup> property located 105 km southwest of Timmins in eastern Ontario and straddles a 15 km portion of the Ridout Deformation Zone, which hosts the nearby Côté Gold development project (7.19 M oz of Proven and Probable gold reserves within a larger resource; [www.iamgold.com](#)).

## About Northern Superior

Northern Superior's TPK, Lac Surprise and Croteau Est Projects

The reader is encouraged to visit the Company's web site for more detailed information regarding each of these projects ([www.nsuperior.com](#)).

The Lac Surprise property is located within the Chapais-Chibougamau gold camp of Québec and is large (approximately 20kms x 20 kms). The Company recently discovered the Falcon Gold Zone (FGZ), a gold zone consisting of gold assay grades and widths comparable to the neighboring including [IAMGold Corp.](#) and Vanstar Mining Resource's Nelligan deposit (hosts an NI 43-101 compliant inferred mineral resource estimate of 3.1 million ounces of gold at 1.02 g/t gold\*\*\*). Highlighted assays associated with the FGZ include: LCS21-029 (1.36g/t Au over 40.0m; 273.00-313.00m); LCS19-005ext (1.54g/t Au over 44.9m; 293.50-338.40m); LCS21-43 (1.10g/t Au over 43.0m; 95.00-138.00m); and LCS21-032 (1.99g/t Au over 42.6m; 107.40-150.00m) (Table 1, Figure 4; see Northern Superior press releases, August 17, 2021; March 10, 2022).

The FGZ is thought to represent the westward extension of the Nelligan gold deposit. The robust, lateral continuity of the FGZ is highlighted by a 100% drill hole strike rate (29 of 29 holes), currently defined with a 900m long strike length (remaining open along strike to the west ) and defined to 343m, remaining open at depth along the 900m strike length.

The Lac Surprise property has many gold showings across the property including those to the west of the FGZ, and in the "Confluence" and "Amber" areas. Northern Superior is currently completing a 15-hole (6,650m) core drill program designed to test the western and vertical extensions of the FGZ. The Company is also in the process of planning a property scale bedrock mapping and prospecting program for the summer of 2022.

The Croteau Est property is also located within the Chapais-Chibougamau gold camp of Québec and is large (approximately 30kms x 15kms). The property has a 43-101 compliant inferred gold resource defined and several gold showings discovered across the property. The inferred gold resource is defined as consisting of 11.6 million tonnes, grading 1.7g/t gold, yielding 640,000 ounces of gold. Assays associated with this deposit includes intersections of; 11.06g/t gold over 9.10m including 43.75g/t gold over 2.00m, 61.24g/t gold over 5.95m including 705g/t gold over 0.5 m, 7.50g/t gold over 7.95m including 56.40g/t gold over 1.00m, 1.99g/t gold over 34.65m including 9.46g/t gold over 2m). The resource is defined from only 64, shallow holes, most of which are only 350m deep. The system is open along strike in both directions and at depth. A core drill program and budget has been set for this project to expand the resource and test several of the regional

showings.

The TPK property is located in northwestern Ontario and is large (approximately 20kms x 30kms), containing two regional scale mineralized systems. The first system is primarily gold bearing, stretching 35kms across the Big Dam and New Growth areas of the property. The Big Dam area contains the largest gold grain-in-till dispersal aprons in North America stretching 6kms by 11kms, with as many as 1262 gold grains, most of which are pristine (92%). Embedded within this apron are numerous high-grade gold mineralized boulders assaying as high as 94g/t gold. A discovery hole of 25.87g/t gold over 13.45m has already been intersected. The second system within the Annex area of the property is defined by a gold grain-in-till dispersal corridor 3.5kms x 13.5kms wide, with gold grain counts as high as 1263 gold grains, mostly pristine in shape. Embedded within this corridor are boulders assaying as high as 727g/t gold, 111g/t silver and 4.05% copper.

Northern Superior is a reporting issuer in British Columbia, Alberta, Ontario and Québec, and trades on the TSX Venture Exchange under the symbol "SUP", and the OTCQB Venture Market under the symbol "NSUPF".

None of the securities to be issued pursuant to the Definitive Agreement have been or will be registered under the United State Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and any securities issued in the Transaction are anticipated to be issued in reliance upon available exemptions from such registration requirements pursuant to Section 3(a)(10) of the U.S. Securities Act and applicable exemptions under state securities laws. This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities.

*Neither the TSXV nor its regulation services provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this news release.*

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*Cautionary Note Regarding Forward-Looking Statements: Certain statements contained in this press release constitute forward-looking information under applicable Canadian, United States and other applicable securities laws, rules and regulations, including, without limitation, statements with respect to the completion of the Transaction, the conditions to the completion of the Transaction that must be fulfilled and the anticipated benefits and advantages of the Transaction, including establishing Northern Superior as a premier gold exploration company with five early-to-advanced staged gold exploration projects across major gold camps in Quebec and Ontario and creating significant synergies and scale in the Chapais-Chibougamau Camp. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on Northern Superior and Genesis' current beliefs or assumptions as to the outcome and timing of such future events. There can be no assurance that such statements will prove to be accurate, as Northern Superior and Genesis' actual results and future events could differ materially from those anticipated in these forward-looking statements. Factors that could cause actual results and future events to differ materially from those anticipated in these forward-looking statements are set forth in the "Risk Factors" section in Northern Superior's latest management discussion and analysis dated April 12, 2022. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to Northern Superior and Genesis. The forward-looking information contained in this news release is made as of the date hereof and Northern Superior and Genesis undertake no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise,*

*except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.*

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